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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 14, 1993

TO: Minerals File

FROM: Holland Shepherd, Senior Reclamation Specialist and D. Wayne Hedberg,
Permitting Supervisor *HWS DWH*

RE: Site Inspection, Nephi Gypsum Mine, Thomas Peck and Sons, M/023/011,
Millard County, Utah

Date of Inspection: June 3, 1993
Time of Inspection: 2:00 - 4:00
Conditions: Rainy and cool
Participants: Tony Peck, Bob Steele, owner/operators; Holland Shepherd,
Wayne Hedberg, DOGM

Purpose of Inspection: To discuss the transfer of the site's operator status, and the status of the recently developed reclamation surety.

We met onsite with Mr. Tony Peck and Mr. Bob Steele, owners of the Nephi Gypsum mine. The mine is currently being operated (contract mined) by Mr. Jack Dansie. One of our questions to the owners, was to determine who the designated operator for the site was to be.

The amount of overall site surface disturbance has not changed from previous inspections. The quarry is being cut deeper into the hillside, but not expanding.

Mr. Peck indicated to us that he would not contest the amount of acreage used to calculate the last bond estimate. The \$17,900 estimate was developed by the Division from measurements taken off of the operator's site map as provided in the mining and reclamation plan.

Mr. Peck and Mr. Steele indicated that they would continue to use an Irrevocable Letter Of Credit (ILOC) as the surety vehicle for the time being. Previous discussions with the operator involved the possibility of replacing the existing ILOC with an escrow account as the form of reclamation surety for this site. They indicated they



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would like to set up a separate reclamation account (on their own) to ensure sufficient funding for eventual reclamation of the site.

We discussed the requirement and urgency of completing the operator transfer form (FORM MR-TRL) and reclamation contract (FORM MR-RC) as soon as possible. Mr. Peck and Mr. Steele indicated that they would do this right away and return the completed forms to the Division. Mr. Peck indicated that he would probably be the operator and that Mr. Jack Dansie would continue to operate the site as a subcontractor. Thomas J. Peck and Sons has asked the Division to transfer the site's operator status to another operator other than Thomas J. Peck and Sons.

jb
cc: Anthony Peck
Robert Steele
NEPHLINS